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E.O. 12958: DECL: 04/19/2016 TAGS: <u>MARR PARM PREL VE NL</u>

SUBJECT: NETHERLANDS/VENEZUELA: RESPONSE TO DUTCH ARMS

SALES TO VENEZUELA DEMARCHE

REF: STATE 58038

Classified By: DCM Chat Blakeman, reasons 1.4 (b,d)

- 11. (C) Summary: The Dutch are unwilling to reconsider their pending sale of radio equipment for Spanish patrol boats to Venezuela in response to reftel points. MFA Director of Security Policy Robert de Groot said the Dutch remain committed to blocking sales of "offensive" arms to Venezuela, and have raised the issue at the EU on two occasions. Following a Dutch MOD and military intelligence review, however, the GONL determined the radio equipment in question poses no danger to Dutch or allied assets in the Caribbean. If the Dutch did not sell the equipment, another EU country surely would, de Groot said. Polmiloff discussed reftel points with de Groot on April 18; DCM also raised the issue separately with Jos Schellars, Director of the Dutch MFA's Americas Division. End summary.
- 12. (C) On April 18, Polmiloff drew from reftel points to highlight U.S. concerns regarding the proposed Dutch sale of radio equipment to Venezuela for use on Spanish-provided patrol boats. Polmiloff emphasized that even supposedly "non-lethal" equipment sales will enhance a lethal, offensive-minded Venezuelan navy and could undermine U.S.-Dutch efforts to convince Spain and other EU member states to forego future arms sales to Venezuela.
- ¶3. (C) De Groot said he understood U.S. concerns, but reftel arguments, in his view, did not/not "shed any new light on the matter." The Dutch MOD and military intelligence had both conducted "exhaustive" reviews of the potential sale, he added, and determined that the radio equipment would not endanger Dutch or allied assets in the Caribbean. Absent any new convincing evidence to the contrary, therefore, the Dutch planned to proceed with the sale. De Groot acknowledged his discussion with A/S Fried on the issue, but reiterated that the Dutch position was not likely to change. He did not respond directly to Polmiloff's question regarding possible Dutch Thales cooperation with the Israeli defense corporation Rafael in this regard.
- 14. (C) De Groot stressed that the Netherlands and the USG "see eye to eye" on preventing "offensive" arms sales to Venezuela. The Dutch have already raised the profile of this issue by twice putting Venezuelan arms sales on the agenda of EU meetings, and have also pressed the United Kingdom to take a more active role. No EU member should be confused by the Dutch position on the matter, de Groot noted. Given the competitive European arms market, he added, it was virtually

certain that another European company would sell similar equipment to Venezuela if the Dutch back out, so "why not the Dutch?" The Spanish sale, he concluded, is a done deal, regardless of whether the radio equipment on board is Dutch.

- 15. (C) Separately, DCM raised the pending Dutch sale with Jos Schellars, Head of the MFA's Americas Division, on April 13. Schellars was aware of the U.S. concerns regarding the sale but did not indicate any willingness to reconsider the decision based on reftel arguments.
- 16. (C) COMMENT: The Dutch claim to have done their homework on the proposed sale and are not prepared to reconsider their decision absent compelling evidence that this particular sale will destabilize the region, and/or that other European competitors with fewer qualms about Chavez will not jump to fill the order.

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